

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

April 15, 2008

Ms. Stephanie Stumbo
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40620-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

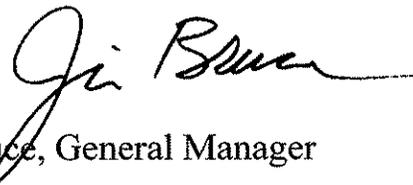
**SUBJECT: Notice of Debt Transfer Approval
 Kentucky League of Cities
 Case No. 2008-00074**

Dear Director Stumbo,

Enclosed please find a copy of the letter we received from the Kentucky League of Cities, regarding our District assuming a City of Radcliff sewer loan. Please include in the record for the above case.

It appears that this letter provides the sole approval for the transfer, or at least there is mention of a future agreement required. We have also provided a copy to Mr. Spenard with the Attorney General. Please call if you have any questions or need more information.

Sincerely,



Jim Bruce, General Manager

Encl.

Cf; Mr. David Wilson II, HCWD1 Attorney
Mr. David Spenard, esq, Assistant Attorney General, Consumer Protection
Division



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Deputy Director/Insurance and Finance: William L. Hamilton

April 15, 2008

Jim Bruce
General Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Dear Mr: Bruce:

This is in reference to the impending purchase of the City of Radcliff's sanitary sewer system by Hardin County Water District No. 1 (HCWD).

Currently, the Kentucky League of Cities (KLC) through its Kentucky Municipal Finance Corporation has an outstanding loan to the City of Radcliff for the benefit of the sanitary sewer system. The debt is secured by revenue generated from the sewer system. By written agreement, HCWD has agreed to assume Radcliff's sewer system debt to KLC and to abide by all obligations and covenants contained in the loan documents between the City of Radcliff and the Kentucky Municipal Finance Corporation. Therefore, KLC approves of the transfer from Radcliff to HCWD of the debt that is currently owed to the Kentucky Municipal Finance Corporation.

If you need any additional information, do not hesitate to contact me at 859-977-3722.

Sincerely,

Garrett L. Drakeford